

# Cash Flow and Carey



**Robert Carey, CFA**  
Chief Market Strategist



**Peter Leonteos**  
Market Strategist

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## S&P 500 Index Earnings & Revenue Growth Rate Estimates

S&P 500 & Sector Indices (Estimated Y-O-Y Earnings & Revenue Growth Rates as of 8/8/25)

	2025 Earnings Est.	2026 Earnings Est.	2025 Revenue Est.	2026 Revenue Est.
<b>S&amp;P 500 Index</b>	9.2%	12.7%	5.7%	6.1%
<b>Communication Services</b>	16.1%	8.8%	7.8%	8.3%
<b>Consumer Discretionary</b>	1.3%	13.5%	3.8%	6.3%
<b>Consumer Staples</b>	-1.6%	7.8%	2.6%	4.2%
<b>Energy</b>	-10.9%	16.6%	-3.5%	1.6%
<b>Financials</b>	7.3%	11.8%	4.8%	6.5%
<b>Health Care</b>	12.0%	9.1%	8.8%	4.9%
<b>Industrials</b>	7.4%	14.7%	4.2%	6.2%
<b>Information Technology</b>	18.6%	17.8%	13.1%	11.1%
<b>Materials</b>	1.9%	17.8%	3.9%	4.1%
<b>Real Estate</b>	2.6%	4.8%	4.9%	7.2%
<b>Utilities</b>	9.9%	8.3%	7.7%	5.5%

Source: Bloomberg. Consensus estimates using fiscal year revenue from each company.

### View from the Observation Deck

Today's post provides an update to 2025 and 2026 earnings and revenue growth rate estimates for the S&P 500 Index ("Index") and each of its eleven sectors. The Index closed at 6,389.45 on 8/8/25, just shy of its all-time high of 6,389.77 (7/28/25), and up a staggering 28.75% (total return) from its most recent low of 4,982.77 (4/8/25). For comparison, from 1928-2024 (97 years) the Index posted an average annual total return of 9.71%.

**Earnings growth rate estimates remain favorable, with observations for 2025 having increased since our last post.**

On 8/8/25, earnings for the companies that comprise the Index were estimated to increase by 9.2% year-over-year (y-o-y) in 2025, up from 7.4% in our last post on this topic in May ([click here](#)). Just two sectors are estimated to see earnings decline y-o-y in 2025, down from three in our last post. The two sectors and their estimated y-o-y earnings decline were: Energy (-10.9%) and Consumer Staples (-1.6%). In 2026, however, earnings are estimated to increase for each of the Index's 11 sectors.

**Revenue growth rate estimates remain favorable as well. In fact, observations for both 2025 and 2026 increased since we last wrote about this topic.**

As of 8/8/25, the Index's 2025 estimated y-o-y revenue growth rate stood at 5.7%, up from 4.3% on 5/16/25. Ten of the Index's eleven sectors reflect positive y-o-y revenue growth rate estimates in 2025, with four of them estimated to surpass 5.0%. Information Technology commands the highest estimated revenue growth rates at 13.1% and 11.1% in 2025 and 2026, respectively.

### Takeaway

Earnings growth rate estimates have been volatile this year. When we first updated this topic in 2025 the Index's 2025 y-o-y earnings growth rate stood at 12.4% (data from 1/24/25). As the year progressed, increasingly hostile tariff negotiations, escalating geopolitical tensions, and weakening U.S. economic data led analysts to issue downward adjustments to their estimates. By our next post, 2025 earnings growth rate estimates had come down significantly, and sat at 7.4% y-o-y (data from 5/16). It appears these pressures have diminished, allowing analysts latitude to increase their y-o-y earnings and revenue growth rate estimates to 9.2% and 5.7%, respectively, in 2025 (as of 8/8). Time will ultimately reveal the accuracy of these estimates, but we maintain that higher revenues could be the best catalyst for earnings growth, which in turn, may continue to drive equity prices higher.